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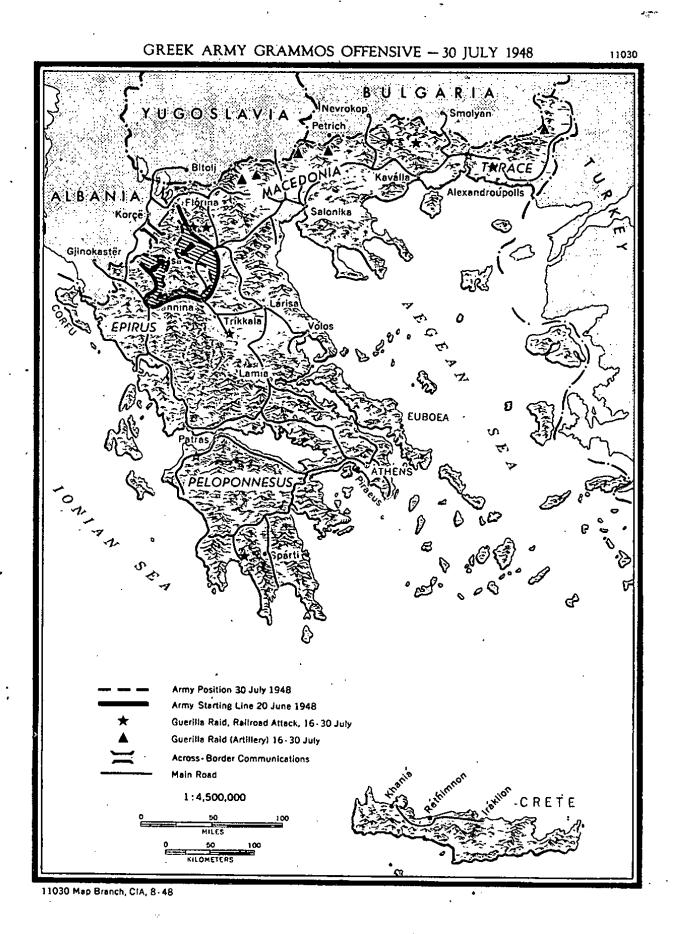
INTELLIGENCE SUMMARY

For Week Ending 3 August 1948

Vol.III No.30

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NEAR EAST/AFRICA BRANCH

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GREECE

The Greek Army in the seventh week of the Grammos offensive made small but in some cases important gains against stubborn guerrilla resistance. The most notable achievement of the week was the recapture of a key neight northwest of Konitsa which had been one of the army's first objectives. The possession of this height will probably enable the army to complete a pincer movement which will halve the guerrilla pocket. However, the encircling forces have moved forward slowly, and most of the guerrillas will be able to escape from the trap and take up new defensive positions in the remaining section of the pocket adjacent to the Albanian border. It can be expected that their resistance will be as effective as before and that strong guerrilla detachments will contimue to attack the army lines of communication. The assignment of the deputy chief of staff to command all forces in the Grammos battle may, however, put some new life into the army's operations. The future efficiency of the army as a whole may also be increased if the reorganization recommended by US military advisors is put into effect. This reorganization would place in the field 160,000 men as against the 132,000 presently operating. The additional strength would be drawn from the National Defense Corps (static village defense force) which, because of its ineffectiveness, would be abolished.

PALESTINE

The difficulty of evolving a satisfactory solution for the Palestine problem is being greatly increased by Zionist intransigence. The Arabs, who were formerly unwilling to consider a negotiated settlement, have now been put into the position by force of arms where they are ready to compromise. The PGI (Provisional Government of Israel), however, which appears determined to take advantage of its strong military and propaganda position to extend its claims, is in no frame of mind to accept a compromise solution of the issue at this time. Believing that the Israeli Army is capable of driving the Arabs out of Palestine, that the UN Mediator is incapable of preventing truce violations, and that both the US and the USSR are committed to pro-Zionist policies, the Israeli leaders are steadily expanding their claims and vehemently justifying such claims

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in the UN and to the world at large. The PGI asserts that Arab aggression has invalidated the UN partition recommendation and states that Israel will demand more territory than was allocated the Jews by the General Assembly. Similarly, the PGI claims that the Mediator's proposal to give Jerusalem to the Arabs invalidates the UN plan to internationalize the city; therefore the POI now reserves the right to incorporate Jerusalem into Israel. Having once renounced the UN partition recommendation, there is little to prevent Israel from claiming all of Palestine and evicting whatever Arab forces are still in the country. A further indication that the Israeli leaders are feeling increasingly less dependent on the UN is found in their attitude toward the 300,000 Arab refugees from Palestine. Despite the plea of the Mediator that the refugees be allowed to return to their homes, the PGI has adopted a policy which will probably permanently exclude them from Israel. In view of these various developments, it appears that the PGI is prepared to substitute for the recommendations of the UN the policies advocated by extremist Israeli elements.

IRAQ

Political unrest is again on the increase in Iraq. The second UN Palestine truce has come as something of a shock to the Iraqi people, and when the shock wears off the dissident elements hitherto checked by the popularity of the government's strong Palestine policy can be expected to become more active. The perennial Kurdish problem is also capable of obtaining serious proportions, particularly since most of the Iraqi Army's Second Division, which normally patrols the Kurdish tribal areas, is still in Palestine and thus unavailable for police duty. The Kurds are unusually restive and there are indications that they are turning toward the USSR in the belief that they can no longer hope for British support of their aspirations. Reports that Kurdish tribesmen have recently clashed with government forces in neighboring sections of Iran will not ease the minds of Iraq's political leaders.

INDIA

In Kashmir and Hyderabad there have been no significant new developments. The UN Kashmir Commission's cease-fire proposal has not been accepted by either dominion, and the conditions which Prime Minister Nehru has informally indicated must be attached to the proposal will certainly be unsatisfactory to Pakistan. Meanwhile, the Commission is continuing to confer with both governments and is expected shortly to visit Kashmir,

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where a two-man delegation has already been despatched to study the military situation. The Hyderabad situation remains tense. Indian officials continue to make incendiary statements against the Moslem government of the state, the Indian economic blockade is being carried on, and Indian troops have occupied a Hyderabad village to protect traffic to an Indian enclave within Hyderabad. The Nizam of Hyderabad, however, apparently still hopes for a peaceful solution of the dispute and has sent a personal emissary to New Delhi to explore the possibility of a settlement.